

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 EURE-00 CIAE-00 PM-07 INR-10 L-03

NEA-10 NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15

TRSE-00 SAJ-01 EB-11 COME-00 FRB-02 NIC-01 AEC-11

AECE-00 SS-20 NSC-10 H-03 DODE-00 ACDA-19 CU-04 OIC-04

OMB-01 DRC-01 /182 W

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P 171730Z JAN 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 3420

C O N F I D E N T I A L SECTION 1 OF 2 GENEVA 272

E.O. 11652: N/A

TAGS: ECON, NATO, PFOR

SUBJECT: CSCE: SUBCOMMITTEE ON COMMERICAL EXCHANGES

1. DURING NATO ECONAD NTG AT BRUSSELS, IN BILATERAL CONTACTS THIS WEEK, AND IN NATO CAUCUS JAN 17, CERTAIN CHANGES WERE AGREED TO AD REFERENDUM IN EC-9 DRAFT RESOLUTION ON BUSINESS CONTACTS FROM DEC 14 DRAFT WHICH WAS DISTRIBUTED TO INTERESTED AGENCIES BY EUR/RPM. SUBJECT TO USDEL COMMENTS AT END OF THIS MESSAGE, WE BELIEVE TEXT IS SATISFACTORY AND RESPONSIVE TO U.S. COMMENTS CONTAINED STATE 2457.

2. SINCE WE ARE STILL DISCUSSING WITH EC-9 DRAFT RESOLUTIONS ON INDUSTRIAL COOPERATION AND TRADE OBSTACLES, WHICH COULD DELAY TABLING OF THESE RESOLUTIONS BEYOND FIRST OF NEXT WEEK, IT IS IMPORTANT THAT WESTERN RESOLUTIONS ON OTHER ECONOMIC TOPICS, INCLUDING BUSINESS CONTACTS, INFORMATION AND ARBITRATION, BE TABLED IN ACCORDANCE WITH SCHEDULE AGREED TO WITH EAST. HOPE ANY CHANGES SUGGESTED BY DEPT IN FOLLOWING TEXT WILL BE OF ESSENTIAL
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NATURE, BEARING IN MIND POSSIBILITY OF INTRODUCING

OTHER IDEAS LATER IN NOGOTIATION PHASE.

3. IN ABSENCE OF DEPT COMMENTS BY OPENING OF BUSINESS
JAN 21, USDEL WILL AGREE TO TABLING OF THIS TEXT IN CSCE.

4. BEGIN TEXT

RESOLUTION ON BUSINESS CONTACTS

AWARE OF THE CONTRIBUTION THAT AN IMPROVEMENT OF
BUSINESS CONTACTS COULD BRING TO THE DEVELOPMENT OF
COMMERCIAL EXCHANGES,

CONSIDERING IT DESIREABLE TO IMPROVE CONTACTS
BETWEEN BUSINESSMEN, BANKERS, COMMERCIAL AGENTS AND
EMPLOYEES OF FINANCIAL AND COMMERCIAL INSTITUTIONS,
AND, IN PARTICULAR, CONTACTS BETWEEN THE REPRESENTATIVES
OF MARKETING ORGANIZATIONS AND THE CONSUMERS, IN ORDER
TO CONTRIBUTE TO THE GROWTH OF TRUST IN BUSINESS RELATIONS,

RECOGNIZING THAT IT IS IMPORTANT TO ENCOURAGE
GREATER PARTICIPATION BY SMALL AND MEDIUM-SIZED
BUSINESSES IN COMMERCIAL EXCHANGES BETWEEN THE
PARTICIPATING STATES,

AGREE TO ADOPT APPROPRIATE MEASURES TO IMPROVE
EXISTING CONDITIONS IN THE FIELD OF BUSINESS CONTACTS,
IN PARTICULAR:

-BY ASSURING FOREIGN BUSINESSMEN ACCESS TO
ADEQUATE INFORMATION ON INDUSTRIAL ENTERPRISES,
AND ON ORGANIZATIONS RESPONSIBLE FOR THE
PROMOTION AND ADMINISTRATION OF FOREIGN TRADE;

-BY PERMITTING FOREIGN BUSINESSMEN, AS WELL AS
DIPLOMATS AND ALL OTHER OFFICIALS RESPONSIBLE
FOR COMMERCIAL REPRESENTATION OF THEIR COUNTRIES,
TO CONTACT THE COMPETENT PERSONS AND ORGANI-
ZATIONS IN MATTERS OF COMMERCIAL PROMOTION, AND
TO ENTER INTO DIRECT RELATIONS WITH THE FINAL
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USERS FOR PURPOSES OF COMMERCIAL PROMOTION AS
WELL AS DURING DISCUSSIONS ON THE CONCLUSION
OF CONTRACTS AND DURING THEIR FULFILLMENT;

-BY FACILITATING THE PURSUIT OF CONTACTS BETWEEN
FOREIGN BUSINESSMEN AND POTENTIAL INTERESTED
CLIENTS WHOM THEY HAVE MET, FOR EXAMPLE, AT
TRADE FAIRS, BUSINESS EXPOSITIONS AND SEMINARS.

WILL ENCOURAGE FIRMS, ENTERPRISES AND OTHER INTERESTED AGENCIES TO ADOPT MEASURES OF SUCH A NATURE AS TO ACCELERATE THE CONDUCT OF BUSINESS NEGOTIATIONS, ESPECIALLY IN VIEW OF THE FACT THAT THE DURATION OF AN OFFER IS GENERALLY LIMITED.

WILL ADOPT MOREOVER MEASURES DESIGNED TO IMPROVE THE WORKING CONDITIONS OF BUSINESSMEN REPRESENTING FOREIGN FIRMS, NOTABLY:

-BY FURNISHING INFORMATION REGARDING EXISTING LEGISLATION AND ADMINISTRATIVE PRACTICES, IN ORDER TO PERMIT FOREIGN ENTERPRISES AND COMMERCIAL ORGANIZATIONS TO SUBMIT, WITH FULL KNOWLEDGE OF THE RELEVANT FACTS, THEIR REQUESTS FOR PERMANENT REPRESENTATION;

-BY EXAMINING FAVORABLY REQUESTS FOR ESTABLISHMENT OF PERMANENT OFFICES ON THEIR TERRITORY BY INTERESTED ECONOMIC ORGANIZATIONS AND BY FOREIGN FIRMS, INCLUDING, AS APPROPRIATE, THE ESTABLISHMENT OF JOINT OFFICES FOR SMALL AND MEDIUM-SIZED ENTERPRISES;

-BY RECOMMENDING THAT FOREIGN BUSINESSMEN SHOULD BENEFIT BY APPROPRIATE LOCAL PRACTICE FOR THEIR OFFICES AND HOUSING, AS WELL AS THE INSTALLATION OF NECESSARY EQUIPMENT AND ALL OTHER FACILITIES ON THE SAME CONDITIONS AS THOSE PROVIDED TO OTHER USERS;

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-BY FACILITATING THE ESTABLISHMENT BY FOREIGN ENTERPRISES OF APPROPRIATE AFTER SALES SERVICE INSTALLATIONS AND THE TRAINING OF NECESSARY LOCAL TECHNICAL PERSONNEL.

END TEXT OF DRAFT RESOLUTION

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FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 3421

C O N F I D E N T I A L GENEVA SECTION 2 OF 2 GENEVA 272

5. COMMENT: TWO POINTS WHICH MIGHT BE OF CONCERN TO DEPT ARE ABSENCE OF CLAUSES RELATING TO FREEDOM OF TRAVEL BY BUSINESSMEN AND CURRENCY EXCHANGE ARRANGEMENTS. ALTHOUGH ORIGINAL DRAFT OF EC-9 PROVIDED THAT RESIDENT FOREIGN BUSINESSMEN SHOULD HAVE THE RIGHT TO LEAVE AND RETURN WITHOUT DIFFICULTIES, THEY HAVE NOW WITHDRAWN THIS CLAUSE. THEY EXPLAINED THEY HAD BEEN UNABLE TO FIND WORDING THAT SATISFIED ALL OF THEIR OWN INTERNAL SECURITY REQUIREMENTS.

6. U.S. PROPOSAL FOR CLAUSE ASSURING THAT CURRENCY EXCHANGE ARRANGEMENTS, FEES AND TAXES SHOULD NOT DISCOURAGE BUSINESS CONTACTS WAS ACCEPTED BY UK AND FRG IN INFORMAL NEGOTIATIONS BUT DID NOT SURVIVE FINAL EC COORDINATION. WAS SUBJECT OF FULL DISCUSSION JAN 17 NATO CAUCUS. U.S. POSITION SUPPORTED ONLY BY NORWAY IN MILD WAY. MAIN OBJECTION SEEMS TO BE (A) OTHER WESTERN COUNTRIES ARE NOT CONSCIOUS OF THIS AS SERIOUS PROBLEM AND WOULD LIKE MORE EXAMPLES THAT POLISH CASE TO BE PERSUADED; (B) EAST MAY TURN ARGUMENT AROUND AND ARGUE THAT WESTERN PRICES DISCOURAGE CONTACTS; (C) THERE MAY BE INSTANCES WHERE BUSINESSMEN ENJOY

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MORE FAVORABLE RATES AND FINANCIAL PRIVILEGES.

7 UK ADVANCED FOLLOWING ALTERNATIVE DURING MEETING:

"BY ASSURING THAT FOREIGN BUSINESSMEN ENJOY THE SAME
TREATMENT IN REGARD TO CURRENCY EXCHANGE RATES AND
OTHER FINANCIAL REGULATIONS AS OTHER FOREIGN VISITORS."
THIS DOES NOT STRIKE US AS GOOD SUBSTITUTE. WE COULD
KEEP NEGOTIATION OPEN BUT IN VIEW OF LACK OF
ENTHUSIASM OF OTHER EC-9 AND
NATO COUNTRIES, WE ARE INCLINED NOT TO PRESS THIS
PROPOSAL FURTHER.BASSIN

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